PATENT
CASE NO. 11927/90

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:)
)
David J. Schmitz, et al.)
)
) Examiner: Frantzy Poinvil
Serial No.: 09/896,061)
)
) Group Art Unit No.: 3628
Filing Date: June 29, 2001)
)
For: Automated Execution System)
Having Participation)
)

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Commissioner for Patents
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PRE-APPEAL BRIEF REQUEST FOR REVIEW

Applicants request review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reasons stated on the attached sheets. No more than five (5) pages are provided.

1

REMARKS

In the final Office Action dated October 18, 2005, the Examiner rejected all of the pending claims as anticipated under 35 U.S.C. § 102(e) as follows:

Claims	Cited Reference
1-3 and 5-23	Silverman et al. (U.S. 6,505,175)

The Rejections Under 35 U.S.C. § 102 (e) Should Be Withdrawn Because Silverman et al. Fails to Anticipate Claims 1-3 and 5-23

Applicants submit that the cited reference is completely missing features of claims 1-3 and 5-23.

CLAIMS 1, 10, 17, and 21

Applicants respectfully traverse the Examiner's rejection of independent claims 1, 10, 17, and 21 as anticipated by Silverman et al. Claims 1, 10 and 17 relate to methods of trading products over an automated execution system; claim 21 relates to an automated execution system for trading products. All of the independent claims require automatically executing in order priority at least a portion of the electronic order against an order in an electronic book irrespective of broker review and allocating a percentage of a remaining portion of an electronic order to a participant.

The automated trade execution system with a participation component claimed in claims 1, 10, 17 and 21 includes, *inter alia*, automatically executing in order priority at least a portion of the electronic order against an order in an electronic book as recited in each of the independent claims and executing a remaining portion of the electronic order against a participant at a predetermined participation percentage as recited in independent claims 1, 17 and 21.

In the final Office Action, the Examiner has cited Silverman et al. to try and address all of the claimed features of the independent claims of the present application, and specifically the features of: (1) automatically executing orders in order priority; (2) an electronic book (for maintaining unexecuted orders); and (3) a predetermined participation

percentage. Applicants note that, unlike the methods and system for automated execution for trading products of claims 1, 10, 17 and 21, Silverman et al. discloses an order-centric method and system for *tracking* orders having a broker review preceding a *non-prioritized* order execution and where a booth clerk performs a final allocation calculation for an execution. Specifically, the sections of Silverman et al. cited by the Examiner (Silverman, Col. 5, lines 3-13, Col. 6, lines 1-17, Col. 6, lines 1-19 and Col. 8, line 50 to Col. 9, line 50) discuss how the order-centric system 100 records, in a history log, a number of significant events that have occurred relating to an order and provides a means whereby a broker can review what actions have been performed relating to an order or a group of orders. These cited sections of Silverman et al. also discuss how the broker can execute a trade for all or part of the order on the exchange floor, which is then transmitted into the online management system, and that the broker's handheld device can estimate an allocation of the shares of the security traded. Further, these cited sections of Silverman et al. detail that the allocation estimation process (for assigning specific quantities of shares that are traded to the orders that are eligible to participate in a trade) requires that a clerk perform a final allocation for an execution, which is then transmitted to and logged by the system.

Silverman et al. fails to disclose a trading system that includes automatically executing *in order priority* at least a portion of the electronic order against an order *in an electronic book* as recited in each of the independent claims and executing a remaining portion of the electronic order against a participant at *a predetermined participation percentage* as recited in independent claims 1, 17 and 21. Silverman et al. not only fails to disclose automatically executing orders in order priority, an electronic book, and a predetermined participation percentage, Silverman et al. also teaches away from automatically executing orders in order priority, an electronic book for maintaining unexecuted orders, and a predetermined participation percentage in a trading system. Instead, Silverman et al. proposes an order tracking system with a history log to record a number of events relating to an order *that has already been executed by the broker after his/her review*, whose separate handheld device *can estimate an allocation of the shares* of the security traded, but which requires that a clerk to *manually determine and perform a final allocation* for an execution for transmission to and logging by the system. (See Silverman, Col. 5, lines 3-13, Col. 6, lines 1-19 and Col. 8, line 50 to Col. 9, line 50).

3

In addition to the foregoing, the pending claims further differentiate from Silverman et al. in regards to order priority as claimed; such order priority is unavailable in the manual and independent trading of Silverman et al., because the order-centric system of Silverman et al. does not include orders organized by their priority with respect to other orders. Instead of maintaining order priority for routed orders for automatic execution, Silverman et al. discloses that orders are presented to a broker for acceptance without regard to their priority in relation to other submitted orders.
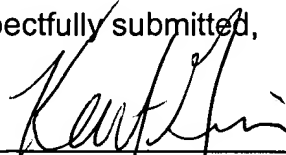
Furthermore, as per claims 1, 10 and 21, Silverman et al. fails to disclose the routing of electronic orders to an automated execution system. Silverman et al. lacks an automated execution system, instead providing an order-centric system that can route an order to a broker for acceptance and subsequent execution.

Therefore, since Silverman et al. fails to teach or disclose at least automatically executing in order priority at least a portion of the electronic order against an order in an electronic book irrespective of broker review and a predetermined percentage of at least a portion of an electronic order be allocated to a participant, Applicants respectfully submit that Silverman et al. does not anticipate or render obvious any of the pending claims.

Accordingly, Applicants submit that claims 1, 10, 17 and 21 are allowable over the art of record for at least the reasons provided and Applicants respectfully request a withdrawal of this rejection.

The errors in the pending 102 (e) rejections are discussed with respect to the independent claims for purposes of brevity. The respective dependent claims are submitted to be allowable for at least the same reasons. Applicants submit that this case is in condition for allowance.

Respectfully submitted,

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